

Exhibit No. 2
Date 2-15-07
Bill No. SB 68

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**Testimony in support to SB 68
From the Montana Newspaper Association**

Clarify confidentiality terms in private equity investments using public funds

February 15, 2007

Sen. Trudi Schmidt, Chairman
Committee Members
Senate Finance and Claims Committee
State Capitol
Helena, Montana 59601

For the record, I am John Barrows, Executive Director of the Montana Newspaper Association, representing Montana's 86 daily and weekly newspapers.

Very few issues are as fraught with potentials for error and abuse as the handling of money by public institutions. We only need to look at the current shortfalls in the Public Employment Retirement funds and the struggles of state government to correct that shortfall to know that how funds are managed, and the risks of investment of public funds are very much the concern of the public at large.

Senate Bill 68 recognizes the need for flexibility and the ability to make public fund investment more productive. Few would argue against that goal.

However, as it was originally presented to the Senate's Business, Economics and Labor Affairs Committee, it did so at the cost of people to know how fundamental information about how that money is being managed, particularly in the field of alternative investments.

In this particular type of investment we can understand the desire for a certain level of privacy, and the need to be able to work within the restraints of the private investors.

The original drafting of this bill, however, was so restrictive that the public could not adequately monitor either the effectiveness, or the fundamentals of the investment itself.

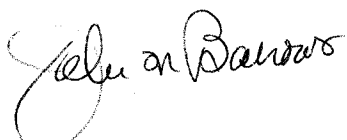
Since that first committee meeting, and appearance on the floor of the Senate, it has been significantly amended.

Although the bill still extends the protection of trade secrets to alternative, private equity investments, it now provides a much greater level of public information, including prospectus information, and states the availability of information for audit.

While we have concerns about any type of restrictions on information of public investments, we feel the bill as amended addresses those concerns adequately, and in a manner that does not seriously hinder the ability of the state to take advantages of this type of investment.

We appreciate and thank the efforts of those who were instrumental in amending the bill to provide greater transparency and public access in alternative investments, and feel those responsible have given considerable thought to dealing with quandary developed between the public's right to know, and the requirements of the investors.

We withdraw our objections registered in the Senate Business, Economics and Labor Committee to the bill as it was then presented, and do not now oppose SB 68 as amended.

A handwritten signature in cursive script, reading "John Barrows".

John Barrows
Executive Director
Montana Newspaper Association